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COVER

Three distinct, modern, yet simple components are combined to form the Peel logo. The three separate segments indicate the three Area Municipalities; the Town of Caledon, the City of Brampton and the City of Mississauga – together forming a single harmonious entity – the Region of Peel. The symbol appears in either a tricolour form or in solid colours. The colours – yellow, green and orange represent the diversified composition of our Region. The design is formally registered and copyrighted as a trademark.

The Region of Peel lies to the immediate west and northwest of Metropolitan Toronto on the northern shore of Lake Ontario. It covers an area of some 1,257 square kilometres. Rapid population growth and commercial development in recent decades transformed what was primarily a rich agricultural community into a dynamic blend of rural, urban, industrial and suburban areas.

The Region is directed by a Regional Chairman and twenty-one Regional Councillors who are representatives of the area municipal councils. Mississauga is represented by its mayor and nine Councillors, Brampton by its mayor and five Councillors and Caledon by its mayor and four Councillors.

To facilitate detailed examination of specific issues, Regional Council has established six committees which make recommendations to Council. These are Administration and Finance, Health, Planning, Public Works, Housing and Social Services. The Corporation is managed by a Chief Administrative Officer and seven department heads – Finance, Health, Planning, Public Works, Social Services, Housing and the Solicitor. A number of special purpose bodies are directly financed by the Region of Peel including the Board of Police Commissioners, the Children's Aid Society and several Conservation Authorities.

TABLE OF CONTENTS

REPORT FROM THE CHAIRMAN AND CHIEF ADMINISTRATIVE OFFICER 2

FIVE-YEAR REVIEW 8

REPORT FROM THE TREASURER 10

1985 FINANCIAL STATEMENTS

- Auditors' Report 10
- Summary of Significant Accounting Policies 11
- Balance Sheet 12
- Statement of Capital Outlay and Financing 13
- Statement of Expenditure and Revenue for Services Provided 14
- Reserves and Reserve Funds Statement of Continuity 16
- Statement of Combined Regional Operations 18
- Notes to Financial Statements 19
- Sinking Funds
  - Auditors' Report 22
  - Balance Sheet 23
  - Statement of Continuity 23
- Trust Funds
  - Auditors' Report 24
  - Balance Sheet 24
  - Statement of Continuity 24

REPORT FROM THE CHAIRMAN AND CHIEF ADMINISTRATIVE OFFICER

Peel successfully met the challenges of a growing, diversified community in 1985. Our population by year-end grew to 569,550, up by 22,130 from the previous year. Our total assessment increased by 5.8 per cent. Residential and commercial/industrial assessment grew by 6.2 per cent and 5.0 per cent, respectively. New housing activity reached unprecedented levels with housing starts hitting the 6,251 level. Data for the first three months of 1986 indicates that the desire to build and live in Peel is still very much alive. To cope effectively and efficiently with the changes that accompany persistent and rapid growth, there is an ongoing necessity to take a fresh look at past practices.

This Corporation found 1985 to be another year of active policy development, innovation in the delivery of services to the public, and change. In some areas, we realized the fruits of our past efforts, in others, we find ourselves preparing for months of exciting challenges ahead. Among our major achievements were:

1985 Accomplishments

- An Industrial Waste Reduction Program was developed to help us work with industries to solve their waste elimination problems, identify markets for their by-products, and raise their understanding of environmental issues and legislation.
- The decision was made to install a 911 emergency telephone number system in Peel. Monies were moved up in the capital budget to accommodate this initiative and ensure the quickest possible implementation.
- The first phase of the Police Department computerization project (C.A.S.P.E.R.) was completed. Hardware and software are now in place allowing 25 various police locations in Peel to have direct access to the Canadian Police Information Centre files in Ottawa.
- A further $4.7 million was contributed towards the construction of hospitals in Peel.
- An agreement was signed with the Province to meld their Family Benefits Assistance program with the Regional General Welfare program. This integrated program, administered by the Region, will be saving us $280,000 annually.
- Extensive renovations and expansions were undertaken at the Peel Manor Senior Citizens residence and the Region's Heritage Complex.
- We emphasized our inspection and maintenance of sanitary sewers and the testing of large industrial water meters.
- The print shop lowered unit costs by half and reduced turnaround on many jobs by the introduction of new reproduction and packaging technology.
- The majority of the work was completed on a joint Region-Area Municipalities project to coordinate the timing of traffic signals and thereby optimize traffic flows and minimize waiting time at intersections. Computers were emplaced in 1985; testing is presently underway.
- The Social Services Department expanded its employment strategies program to help able-bodied unemployed persons develop life and job-seeking skills and to further assist single parents achieve self-sufficiency.
- To continue to improve the recycling of post-consumer waste, the Region paid $10,775 to the Area Municipalities and through them to community groups, for the more than 2400 tonnes of waste that they diverted from landfill through recycling. We hope that this is just the beginning of a major recycling initiative.

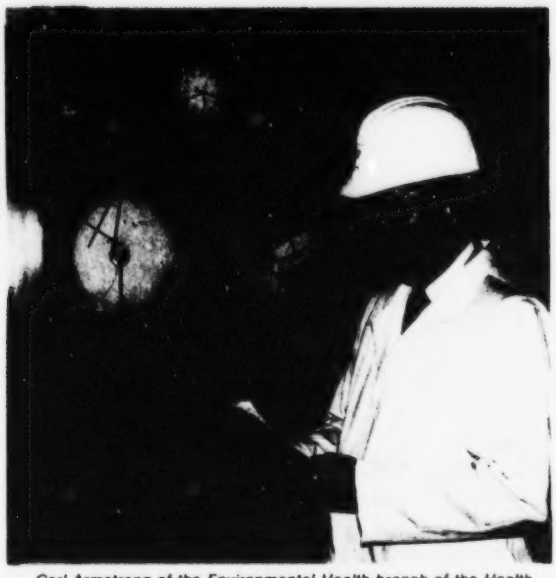
In April 1985 the Region's Transhelp transportation system for the disabled became the first in Ontario to put an Orion II "kneeling" bus into service. This addition to the Region's fleet of fourteen vehicles allows the driver to lower the front step to within inches of the ground, eliminating the need for slow and often dangerous lift mechanisms. The new kneeling bus, manufactured in Mississauga and funded in part by the Province and local service clubs, will carry six wheelchair and six seated passengers in safety and comfort.

Photo Credit - Valerie MacKenzie

Melanie Baudot of Brampton listens with delight to her day care provider, Dorothy Nicholls.

Peel has purchase of service contracts with some 230 independent providers who care for over 570 children. The Region's family day care workers offer workshops in safety, nutrition and child development to the providers, and pay regular visits to the providers' homes.

Photo Credit - Dave Dorman



Carl Armstrong of the Environmental Health branch of the Health Department checks and records the process temperatures at a Mississauga cheese plant.

The Health Department's food control program inspectors undertook over 11,000 inspections and investigations in 1985 to ensure that premises were sanitary and that food was properly handled at all stages of preparation.

The Community Health Division began a School Care Service Program which allows for the integration of handicapped children into the school system. Our role in assessing eligibility, helping school teachers, and coordinating the necessary services for the child in the school setting is allowing almost 200 youngsters to go to school full-time who otherwise would not be able to attend at all, or who would be forced to miss much of school to receive regular outside treatment.

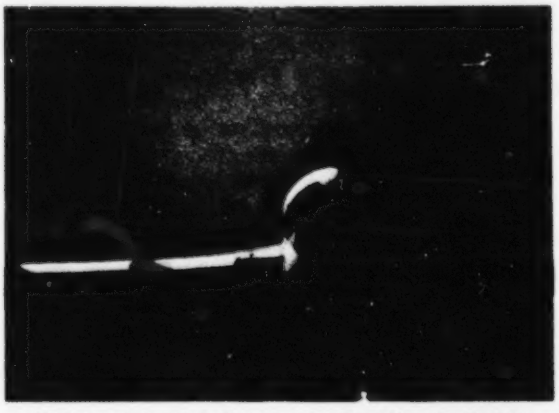
On November 5th, 1985 the Credit Valley Hospital, located in the fast growing west side of Mississauga opened its doors as Canada's state-of-the-art health care facility. With 366 active treatment beds, nine operating rooms, four labour rooms, three labour/birthing rooms, three delivery rooms, computerized testing, registration, and medical information systems, and a wide variety of health care services, the hospital will handle over 120,000 in-patient days of care annually. In addition to being completed on schedule, the hospital will come in almost $3 million under budget, reducing the Region's share of the total cost to roughly $22 million. The numerous private citizens and corporate donors who have volunteered countless hours and given millions of dollars to the hospital can be very proud of the impressive facility they have helped to create.

In December, 1985 Regional Council approved sewer and water rate increases for 1986 — **zero rate increases.** Holding rates constant when they are already less than neighbouring municipalities' rates adds significantly to the attractiveness of Mississauga, Brampton and Caledon as commercial/industrial centres. We anticipate holding these rates constant next year as well, and perhaps even the year after that.

On the tax rates we will probably not be so fortunate — we will exceed the inflation rate in 1986 due largely to our commitment to build a stable waste management program. However, unlike Federal and Provincial governments we will balance our budgets. Our revenues will match our expenses and our expenses will be held to what we are willing to pay for today. Regional Council is quite aware and concerned that our tax rate increases should not exceed prevailing inflation. While we must accommodate the highest environmental standards in our waste management facilities, the goal is to bring mill rate increases back in line with inflation by the end of the present term of Council.

Last year was the first full year of operation of the Region's newly-created Housing Committee. This Committee of Council addresses itself to broad housing policy issues in Peel, such as the severe shortage of moderately-priced rental accommodation, vacancy rates in the existing rental housing stock, rent levels, and the barriers to the production of new affordable rental housing in Peel.

The members of Peel's Housing Committee also serves as the Board of Directors of the Peel Non-Profit Housing Corporation which has grown to be one of the largest, most widely respected municipal housing organizations in the country. Through the Peel Non-Profit Housing Corporation, the community of Peel has access to Federal and Provincial housing programs otherwise unavailable to Peel as a municipal corporation.



Mississauga's Lester B. Pearson International Airport is Canada's busiest airport, handling almost 16 million passenger movements annually.

Today, the Peel Non-Profit Housing Corporation owns more than 2,000 units, including the 64-bed nursing home in Bolton, providing housing to over 6,500 people. The Corporation's 19 projects are well integrated in neighbourhoods throughout the Region of Peel and their construction has added more than $110 million worth of assets to the community.

The Housing Department worked closely with the private builders and developers in Peel in an effort to encourage the marketplace to match housing production to residents' needs. In October, the Department sponsored a housing seminar on the issue of the lack of production of rental housing in Peel. One of the outcomes of the seminar was the development of a major policy paper on the problems created by rent control. This formed the basis of Peel's submission to the Thom Commission and recommended the phasing out of rent controls/review in Ontario.

Again this year, Peel Regional Police had the lowest per capita policing costs of the nine major police forces in Canada. Our force received almost one million calls during 1985 of which 283,000 were directed to the police communications centre. Forty-five per cent of these calls were dealt with by phone, while the remaining 156,000 calls resulted in an officer being dispatched to the scene. In over 94 per cent of all cases, officers were at the scene within five minutes of the call.

In terms of solving major crimes in Peel, our officers had another very impressive year. In comparison to other major Canadian forces, our clearance rate ranked first for homicide, attempted murder, breaking and entering, and robbery. Put another way, no major police force in Canada outperformed the Peel Regional Police Force in areas where it matters most.

Our Police Force this year, along with forces in York, Durham and Metropolitan Toronto instituted the CRIMESTOPPERS program wherein crimes are publicized, rewards offered, and events reenacted on a local television station (CITY-TV) to raise the public's awareness and responsiveness. The force's full-time coordinator became actively involved with the private sector, which is funding this initiative; an independent Board of Directors, which was established to administer the program; and the public, which is keenly supportive of this new initiative.

Also new this year is the Victim Services Office which opened at Peel Regional Police Headquarters in June 1985. This new service recognizes the need for support for victims of criminal acts, domestic upset and violence, and serious accident. Four Social Service Department staff, with the help of trained volunteers and Police Department liaison are able to respond within thirty minutes when called to the scene of an accident. They provide immediate emotional support, answer questions, and make referrals to other community agencies for immediate or longer term assistance. Victim Services now operates twenty-four hours a day, seven days a week.

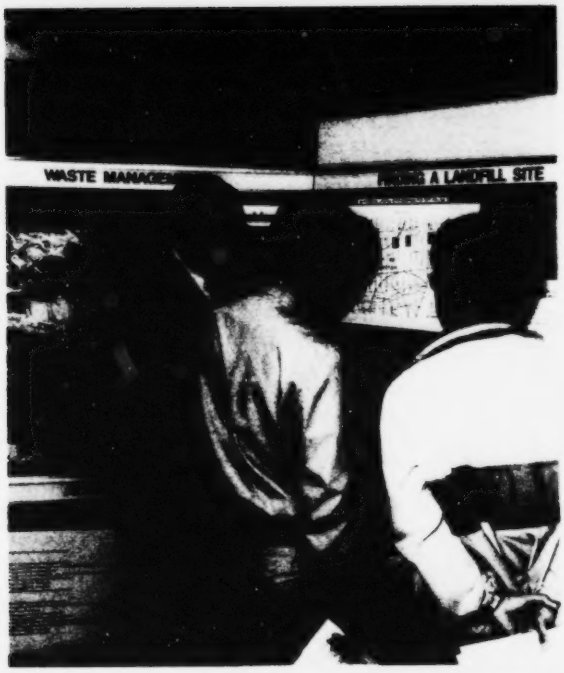
The delicate process of arriving at a program for the disposal of the 600,000 tonnes of residential, industrial and commercial solid waste that is generated annually in Mississauga, Brampton and Caledon was certainly at the head of our list of 1985 corporate issues.

This government's most onerous task is the placement of landfill sites and energy-from-waste plants. Significantly increasing costs, difficult environmental questions and the public's understandable "not in my backyard" attitude makes waste management the most sensitive issue facing local government today.

The required balancing of social, economic, environmental, hydrogeological and legal issues must be completed in an open forum — the public's right to know has been a strong Regional Council priority throughout the planning process. Sixteen special public meetings were held by the Region during the past year to discuss landfill evaluation criteria, alternatives to landfill, a proposed contract for an energy-from-waste plant, and hydrogeological testing processes and results. Hundreds of interested residents attended these sessions. Citizens' liaison groups were formed representing each potential Brampton landfill site and their independent consultants, funded by the Region, were on hand to witness and confirm the basic data from the past summer's busy test drilling program. Regional Council has strongly urged that we continue this open door policy until the issue is resolved.

Our Area Municipalities

The Region's constituent municipalities have had a remarkable year in their own right in 1985.
In Mississauga total building activity surpassed every other city in Canada. Commercial/industrial development hit record levels as building permits were issued to the value of $268 million. Over two hundred new industrial buildings having over seven million square feet of floorspace were added during the year as well as fifty new commercial buildings worth $90 million. Most of the companies associated with this explosive growth are not yet well known. But it is this diversity which strengthens Peel's economy today and for the future. Peel has over 2,000 manufacturing plants, yet no single company accounts for over two per cent of total employment. In Mississauga, 96 per cent of all companies employ fewer than one hundred



Public access to information on waste management issues is a primary objective during our search for the next landfill site.

people. Some of the newcomers are well known. Among these are Nissan, Fijitsu, Hewlett-Packard, and Noxema.

In Brampton, 1985 was also a year of record achievements. Brampton is one of Canada's fastest growing cities, having grown 27 per cent in the past five years. Residential growth in 1985 set records for Brampton, with over 2,500 residential building starts and $172 million worth of building permits issued. Commercial/industrial building permits were also at record levels with some $105 million worth of permits issued and 3.7 million square feet of industrial floor space added. Foremost amongst Brampton's new industrial enterprises is the American Motors assembly plant that began construction in January 1985 and which is scheduled to be producing over 200,000 units per year of a newly designed mid-sized Renault next year. This 2.2 million square foot plant that will eventually cost over $750 million will directly employ roughly 2,500 at its northeast Brampton location. American Motors will be a welcome addition to an industrial base that already includes the likes of Northern Telecom, Caterpillar of Canada and Canadian Tire Corporation.

During 1985 the Town of Caledon continued to experience growth in both the industrial and residential sectors with emphasis on the continued expansion of the Bolton South Hill Industrial Area. Over 100 firms are now situated in Bolton, highlighted by the international operations of Husky Injection Molding and the recently located Effem Foods, which is projected to ultimately employ approximately 500 people. Together with the completion of 380 residential units in 1985, Caledon has attracted development with building permits valued in excess of $24 million and maintained a balanced assessment growth of 3.8 per cent.

A Unique Style

During 1985 we have continued to watch for new opportunities which allow us to capitalize on our unique style and abilities. For example:

- The Chief Administrator's office established an advisory committee on employment equity to audit and analyze the Region's workforce, employment systems, and policies. It is consistent with our management style that we have asked a front-line staff committee composed of eleven employees of diverse backgrounds and disciplines to recommend on these issues. Their recommendations, released in January, 1986, suggest a unique approach to employment equity where all supervisors are held accountable. In this way the principles of employment equity will become an everyday part of our corporate culture.
- The Health Department prepared a comprehensive health checkup on the Region to determine which health problems have the greatest impact on death and illness among Peel residents and, thereby, to provide a means for the Department and outside agencies to focus resources and to evaluate program effectiveness in Peel.

Director of Personnel and Labour Relations, Elma Lobo, addresses new employees during an orientation seminar.

- In 1985 our Personnel Department refined two of their more innovative programs. The first is our in-house system whereby we have a pool of secretarial and part-time work candidates available at a moment's notice to fill temporary vacancies. The cost to Peel is lower than it would be by using an outside agency while providing an excellent proving ground for potential full-time employees.

  The second innovation is our in-house training program, the MOSAIC. A wide selection of courses specifically tailored to our needs was offered to 770 participants last year using contracted trainers in some instances, and our own personnel in others. At an all-in cost of $50 per training day the economics are impressive.

- Given the abundance of lawyers in the marketplace today, we used a tendering process for the retention of outside legal counsel. In each case, we receive competitive bids from appropriate firms, evaluate them and proceed on the basis of the lowest tender. It is by availing ourselves of cost-saving opportunities such as this that has allowed this $250 million corporation to operate with a three-person legal department.

- By using aerial photography for pre-engineering surveys, electronic distance measuring equipment for other surveying, and photogrammetry to prepare quality drawings the Public Works department was successful in keeping up with Peel's pervasive development and its required infrastructure without adding staff.

- Our Purchasing staff devised a creative solution for the tendering specifications on a required landfill compactor. Simply stated, instead of telling suppliers what kind of machine we wanted, we told them exactly what we wanted it to do in the field. The rethinking is saving us $40,000 a year.

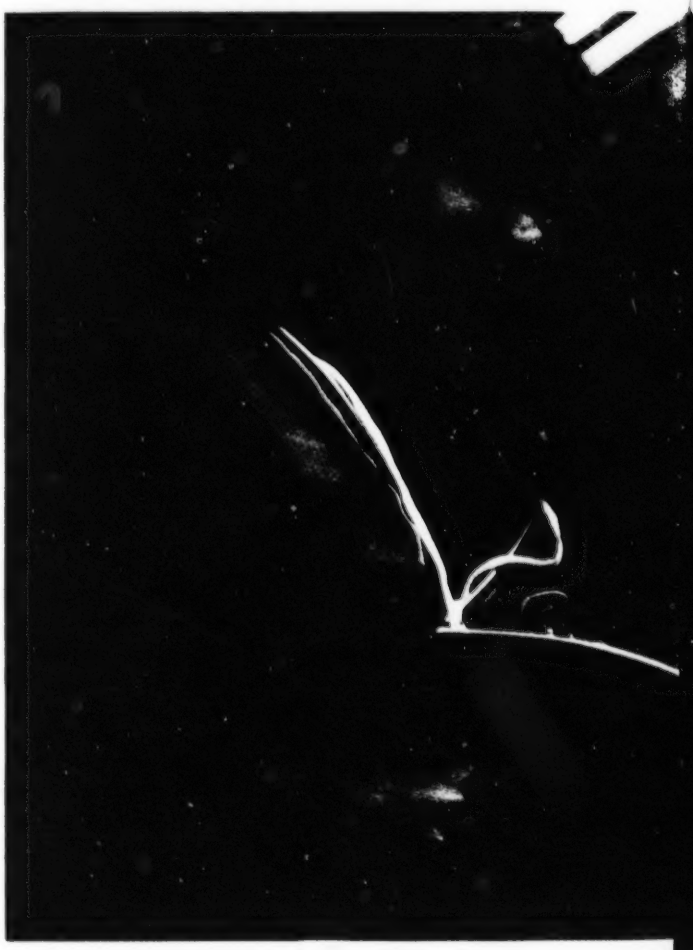
- Our Public Works staff modified the design characteristics of a proposed dome-style storage facility for our winter salt and sand. By modifying the standard two-foot concrete base to a six-foot concrete base, we were able to eliminate wooden reinforcements inside the dome and also increase capacity fifty per cent, all for about a five per cent increase in its capital cost.

- An on-line data entry and enquiry facility was added to the payroll system in mid-1985. This feature, in addition to permitting more efficient input of data, expands the use of the system to the Personnel function for control of employee benefit information. Equipping this system with on-line capabilities is the initial step towards establishing a future corporate environment of distributed data entry and enquiry.

Looking Ahead to 1986

As we begin 1986 we look to a growing array of new issues to address. This year will certainly see considerable debate on the waste management topic. In March 1986, a multi-volume report on waste management was presented to Council — we look forward to working through its recommendations. In the coming year we will also see:

- A final draft of the Regional Official Plan.
- The establishment of a permanent receiving home for the Peel Children's Aid Society.



- The opening of one of the finest community heritage complexes in the country.
- The addition of 129 day care spaces in private homes and 222 spaces on a purchased-service basis as well as four spaces in Regional centres for developmentally delayed children.
- Strengthened maintenance programs for our watermains, sewers and roads.
- Groundbreaking for a fourth police divisional building.
- Three hundred new housing units for the Peel Non-Profit Housing portfolio.
- A trial of the futuristic concept of reading water meters over conventional telephone lines.
- The beginning of a multi-year plan to introduce some office automation at the appropriate levels throughout the corporation.
- Further commitments to hospital facilities.

A new Council was elected in 1985. Members serving their first full term are Donald Currie, Chris Gibson, Patricia Mullin, Dick Pallett and Maja Prentice. We should note that four Regional Councillors did not stand for re-election in November 1985; Diane Sutter from Brampton, Mayor John Clarkson in Caledon and Margaret Marland and Rudy Skjarum in Mississauga. On behalf of all residents of Peel, we would like to here, again thank them for their steady support and active participation during their years on Council. On a sadder note, recent months have seen the untimely deaths of Councillors Chris Gibson and William J. Hunter. Bill was an active committee member and sat on the Niagara Escarpment Commission as well as the Credit Valley Conservation Authority. Chris was a veteran City of Brampton alderman, a member of the Metropolitan and Toronto Region Conservation Authority and, during his few months on Regional Council, a member of the Peel Memorial Hospital Review Subcommittee.

For more than a decade now The Regional Municipality of Peel has been recognized as the premier municipality in Ontario. Our success in earning this distinction is intimately linked to our mission of serving our residents well. This leads us to pay tribute to the dedication and skills of our employees. Their creativity, professionalism and genuine concern for the well-being of Peel's citizens — both private and corporate — have paved the way for continued excellence in this year and in the future.

R. Frank Bean
Regional Chairman

Richard L. Frost
Chief Administrative Officer

The highly professional officers of the Peel Regional Police Force have been acclaimed as among the best-equipped and best-trained on the continent.

FIVE-YEAR REVIEW

	1985	1984	1983	1982	1981
			(in thousands)		
Current Program Activity					
Expenditure	**$195,821**	$173,937	$160,033	$141,465	$116,942
Revenue					
Levies on Area Municipalities	**65,591**	57,815	51,591	46,601	38,786
Direct charges on ratepayers	**54,805**	48,315	44,812	37,251	31,975
Contributions from other governments	**49,720**	46,501	43,311	38,599	31,957
Fees, service charges and other	**23,058**	17,303	15,380	16,536	16,471
Transfers from reserves and reserve funds	**2,575**	2,720	3,921	2,009	355
Surplus from the prior year	**1,096**	2,379	3,397	3,866	1,264
	196,845	175,033	162,412	144,862	120,808
Surplus for the year	**$ 1,024**	$ 1,096	$ 2,379	$ 3,397	$ 3,866
Capital Program Activity					
Outlay	**$ 41,513**	$ 59,509	$ 66,165	$ 61,170	$ 47,143
Financing					
Contributions from other governments	**$ 6,484**	$ 7,125	$ 14,793	$ 17,808	$ 8,851
Long-term borrowing	**11,841**	29,867	1,949	41,675	9,010
Current revenue	**16,066**	12,909	11,575	12,178	8,612
Reserves and reserve funds	**16,820**	14,417	17,693	24,719	11,409
Other	**6,524**	5,896	5,529	4,566	2,590
	$ 57,735	$ 70,214	$ 51,539	$100,946	$ 40,472
Reserves and Reserve Funds	**$ 54,112**	$ 46,269	$ 41,581	$ 40,869	$ 50,661
Net Long-Term Liabilities					
Supported by:					
Property taxation	**$ 49,100**	$ 50,426	$ 40,941	$ 44,655	$ 37,634
Sanitary sewer and water rates	**71,285**	69,742	58,133	60,742	32,663
	$120,385	$120,168	$ 99,074	$105,397	$ 70,297
Charges for Net Long-Term Liabilities					
Supported by:					
Property taxation	**$ 11,822**	$ 9,390	$ 8,911	$ 8,283	$ 6,457
Sanitary sewer and water rates	**14,863**	11,511	10,671	6,927	4,711
	$ 26,685	$ 20,901	$ 19,582	$ 15,210	$ 11,168

	1985	1984	1983	1982	1981
TAXABLE ASSESSMENT (by year of assessment, in thousands)					
Residential and farm	**$5,217,878**	$4,911,273	$4,833,061	$4,664,595	$4,490,694
Commercial and industrial	**2,493,552**	2,374,722	2,229,829	2,132,839	2,023,209
Total taxable assessment	**$7,711,430**	$7,285,995	$7,062,890	$6,797,434	$6,513,903
Percentage increase from prior year	**5.8%**	3.2%	3.9%	4.4%	7.8%
Commercial and industrial, as a percentage of total	**32.3%**	32.6%	31.6%	31.4%	31.1%
Tax exempt assessment	**$ 745,985**	$ 718,811	$ 675,464	$ 667,568	$ 656,368
Population					
Mississauga	**362,093**	349,853	336,853	324,853	315,056
Brampton	**178,641**	169,981	162,981	154,981	149,030
Caledon	**28,822**	27,587	27,087	26,587	26,645
	569,556	547,421	526,921	506,421	490,731
Employees (continuous full-time)					
Police Force	**1,001**	959	929	917	851
Regional Departments	**1,241**	1,256	1,154	1,160	1,177
	2,242	2,215	2,083	2,077	2,028
Households	**186,915**	181,948	175,278	168,282	161,399
PER CAPITA INFORMATION					
Taxable Assessment	**$ 13,539**	$ 13,310	$ 13,404	$ 13,422	$ 13,274
Current Expenditure	**$ 343.81**	$ 317.74	$ 303.71	$ 279.34	$ 238.30
Net Long-term Liabilities					
Supported by:					
Property taxation	**$ 86.21**	$ 92.12	$ 77.70	$ 88.18	$ 76.69
Sanitary sewer and water rates	**125.16**	127.40	110.33	119.94	66.56
	$ 211.37	$ 219.52	$ 188.03	$ 208.12	$ 143.25
Charges for Net Long-Term Liabilities					
Supported by:					
Property taxation	**$ 20.76**	$ 17.15	$ 16.91	$ 16.35	$ 13.16
Sanitary sewer and water rates	**26.10**	21.03	20.25	13.68	9.60
	$ 46.86	$ 38.18	$ 37.16	$ 30.03	$ 22.76

1985 ANNUAL REPORT
REPORT FROM THE TREASURER

I am pleased to present the Annual Report of The Regional Municipality of Peel for the year ended December 31, 1985. In keeping pace with the rapid growth and development experienced in the Region over the year, we have continued to improve upon our financial position for the benefit of all inhabitants.

Property tax supported programs have once again generated a surplus of over $1.0 million. Contributing significantly to this surplus was a $0.7 million unspent balance in the contingency fund. The remainder of the surplus can be attributed to savings in expenditures and increases in revenues generating $0.3 million, and includes a surplus of $0.1 million for Conservation Authorities purposes.

Continued growth, the strong industrial and commercial recovery and relatively dry summer conditions combined to produce a surplus in the sanitary sewer and water rate supported programs. In accordance with Council policy, the combined 1985 sewer and water surplus of $4.6 million was transferred to the Utility Rate Stabilization Reserve to reduce the need for future rate increases for sanitary sewer and water usage. The success of these programs can be further highlighted through the announcement to ratepayers that no increase in charges for sanitary sewer and water rates will be necessary in 1986.

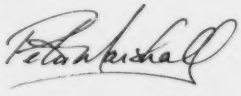
Capital financing unexpended at December 31, 1985 totalled $41.1 million, representing an increase of $16.3 million over the comparable figure for 1984. Most of this increase can be attributed to contributions from current revenue for sanitary sewers and water capital programs that are unspent as of year end.

Throughout 1985, the Region maintained its triple-A credit rating from all of the major credit rating services. As one of only two municipalities in all of Canada able to claim this distinction, and because of this endorsement of our financial strength, we are assured of obtaining the best possible interest rates on future debenture offerings. In 1985, the Region issued serial debentures in the Canadian market providing financing of $15.0 million for the Region and The Dufferin-Peel Roman Catholic Separate School Board at an all-in cost of 10.4% per annum.

We continued in 1985 to address the need to keep pace with our environment through technology. In June, we converted our payroll system into an on-line mode, and in November, we converted our general ledger system onto the latest version available in the market. Plans are already in motion to bring both general ledger and accounts payable into an on-line capability, with testing on both systems set to commence this summer. Training programs continue to feature prominently in the course of our efforts, both in the use of mini and micro-computers as well as in our mainframe systems.

Finally, in our ongoing efforts to provide all interested parties with clear and understandable financial information on the position of the Region, we have this year made some presentation changes to the statement portion of our Annual Report. We are hopeful that these changes will satisfy this objective, and as we move into 1986, will continue to concentrate our efforts towards providing a more effective and efficient operation to serve all residents.

Peter Marshall
Treasurer and Commissioner
of Finance



AUDITORS' REPORT

The Members of Council,
Inhabitants and Ratepayers of
The Regional Municipality of Peel.

We have examined the balance sheet of The Regional Municipality of Peel as at December 31, 1985 and the statements of capital outlay and financing, expenditure and revenue for services provided, reserves and reserve funds and combined Regional operations. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Regional Municipality of Peel as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Touche Ross & Co.
Chartered Accountants
Licence Number 1239

Mississauga, Ontario,
March 14, 1986.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

December 31, 1985

The financial statements of the Region have been prepared in accordance with accounting principles generally accepted for Ontario municipalities required by the Ontario Ministry of Municipal Affairs. In accordance with the requirements of the Ministry of Municipal Affairs, as set forth in the Municipal Financial Reporting Handbook, the financial statements reflect the following accounting policies:

Basis of Statement Presentation

The financial statements reflect the financial activities of the Region which include the Peel Regional Board of Commissioners of Police. Also included are the Regional contributions to the Peel Children's Aid Society and the local Conservation Authorities, and the funding thereof.

Programs which are fully funded by the Province of Ontario on the basis of a March 31 year-end are excluded from these statements.

A description of the financial statements presented in this Annual Report follows:

Balance Sheet — The assets and liabilities of the Region as at December 31 are presented in the Balance Sheet. Assets are classified as restricted, as required by the Municipal Financial Reporting Handbook, to the extent that they relate to reserve funds.

Statement of Capital Outlay and Financing — Expenditures incurred by the Region for capital purposes, together with the capital financing committed to the projects during the same period, are presented in the Statement of Capital Outlay and Financing.

Statement of Expenditure and Revenue for Services Provided — The Statement of Expenditure and Revenue for Services Provided summarizes the amounts expended and received in the current year by the Region for operating purposes compared with that budgeted for the year.

Reserves and Reserve Funds Statement of Continuity — This statement reflects the financial position of the Region's reserves and reserve funds at the beginning and end of the year and the financial activity during the year.

Statement of Combined Regional Operations — The Statement of Combined Regional Operations provides a summary of all the financial operations of the Region by combining current, capital, reserves and reserve funds.

Funds held in trust by the Region for residents of the Peel Manor and Sheridan Villa Senior Citizens' Residences and the Vera M. Davis Community Care Centre are not included in the financial statements. The financial activity and position of the Trust Funds are reported separately in the Trust Funds Statement of Continuity and Balance Sheet.

The Region maintains a separate fund for the purpose of providing for periodic repayments on all debt to be retired by means of sinking funds. The financial activity and position of this fund and the Region's share of the City of Mississauga Sinking Fund are disclosed separately in the Sinking Funds Statement of Continuity and Balance Sheet.

Basis of Accounting

Revenue and Expenditure Recognition:

The Region follows the accrual method of accounting with the exception of the accounting for principal and interest charges on long-term liabilities which are charged against operations in the periods in which they fall due.

Capital Outlay Financed by Long-Term Liabilities:

The historical cost and the accumulated depreciation of fixed assets are not recorded for municipal accounting purposes. Capital expenditures may be financed by long-term debenture debt and by various non-debt sources. Capital Outlay Financed by Long-Term Liabilities represents the value of assets only to the extent that their source of financing was long-term debt which is still outstanding. It also includes the value of a long-term obligation arising out of a capital lease entered into by the Region.

Long-Term Investments:

Zero-coupon bonds are carried at cost plus accumulated interest.

Other long-term investments are carried at cost. Amortization of any discount or premium existing at the date of purchase is provided on a straight-line basis over the term of the investment.

Foreign Currency Translation:

Long-term debenture debt payable in U.S. dollars is translated based on the rates of exchange prevailing at the time that the proceeds were converted into Canadian dollars. Gains and losses on all foreign currency transactions are recorded as they occur based on exchange rates in effect at the time of the transactions.

BALANCE SHEET
As at December 31

	1985	1984
	(in thousands)	
ASSETS		
Restricted		
Current Assets		
Cash and short-term investments	**$ 20,918**	$ 17,229
Accounts receivable		
Provincial government	**383**	407
Other municipalities	**613**	504
Sundry	**-**	22
	21,914	18,162
Unrestricted		
Current Assets		
Cash and short-term investments	**46,883**	38,668
Accounts receivable		
Federal and Provincial governments	**6,502**	9,956
Other municipalities	**1,379**	694
Sanitary sewer and water billings	**7,252**	6,135
Peel Non-Profit Housing Corporation	**-**	2,014
Sundry	**3,371**	2,488
Other current assets	**2,568**	3,373
	67,955	63,328
Long-Term Investments		
(Market value 1985–$28,627,000; 1984–$10,022,000)	**27,937**	10,303
Capital Outlay Financed by Long-Term Liabilities	**120,385**	120,168
	$238,191	$211,961
LIABILITIES AND MUNICIPAL EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities		
Trade accounts payable	**$ 17,866**	$ 17,803
Provincial government	**258**	594
Other municipalities	**1,199**	1,197
Peel Non-Profit Housing Corporation	**2,291**	-
	21,614	19,594
Net Long-Term Liabilities (Note 1)	**120,385**	120,168
Municipal Equity (Note 4)		
Surplus for the year	**1,024**	1,096
Reserves and reserve funds	**54,112**	46,269
Net unexpended capital financing	**41,056**	24,834
	96,192	72,199
	$238,191	$211,961

See accompanying summary of significant accounting policies and notes to financial statements.

STATEMENT OF CAPITAL OUTLAY AND FINANCING
For the year ended December 31

	1985				1984
	Land & Buildings	Engineering Structures	Machinery & Equipment	Total	
			(in thousands)		
Net unexpended capital financing at the beginning of the year				**$24,834**	$14,129
OUTLAY					
General Government	$ 1,456	$ 3	$ 267	**1,726**	638
Protection to Persons and Property	275	880	2,925	**4,080**	2,373
Transportation Services	439	6,284	656	**7,379**	9,816
Environmental Services					
Sanitary sewers	1,743	6,884	369	**8,996**	13,112
Water	335	9,344	1,057	**10,736**	12,097
Waste management	256	331	430	**1,017**	1,583
Engineering and administration	1,187	–	33	**1,220**	74
Health Services					
Capital grants to hospitals	4,737	–	–	**4,737**	17,801
Other	177	–	56	**233**	286
Social and Family Services	1,087	–	302	**1,389**	1,729
	$11,692	$23,726	$6,095	**41,513**	59,509
FINANCING					
Contributions from Other Governments				**6,484**	7,125
Long-Term Borrowing					
Property tax supported programs				**7,844**	13,237
Sanitary sewer and water rate supported programs				**3,997**	16,630
Current Revenue				**16,066**	12,909
Reserves and Reserve Funds					
Capital development fund				**14,021**	12,472
Reserves				**3,422**	2,104
Less: Transfers from capital				**623**	159
Other					
Contributions from developers				**262**	230
Investment income				**4,147**	3,396
Other				**2,115**	2,270
				57,735	70,214
Net unexpended capital financing at the end of the year				**$41,056**	$24,834

See accompanying summary of significant accounting policies and notes to financial statements.

STATEMENT OF EXPENDITURE AND REVENUE FOR SERVICES PROVIDED

For the year ended December 31

	1985 Actual	1985 Budget (in thousands)	1984 Actual
EXPENDITURE			
General Government	**$ 5,689**	$ 5,625	$ 5,863
Protection to Persons and Property			
Police	**46,240**	45,955	42,410
Conservation Authorities	**1,518**	1,517	1,393
Other	**34**	86	50
	47,792	47,558	43,853
Transportation Services	**11,535**	11,231	10,264
Environmental Services			
Sanitary sewers	**28,720**	28,465	25,284
Water	**22,092**	21,897	20,526
Waste management	**3,833**	3,940	3,415
Engineering and administration	**(447)**	(464)	(430)
	54,198	53,838	48,795
Health Services			
Health	**5,945**	6,281	5,525
Support to hospitals	**2,943**	2,943	1,074
	8,888	9,224	6,599
Social and Family Services			
General assistance	**17,522**	18,273	16,534
Assistance to aged persons	**12,537**	12,301	10,773
Assistance to children	**1,859**	1,881	1,677
Day nurseries	**4,736**	4,742	4,076
Social housing	**1,325**	1,313	1,070
	37,979	38,510	34,130
Planning and Development	**1,560**	1,637	1,626
Non-Program	**1,226**	1,843	1,283
	168,867	169,466	152,413
Transfers to:			
Reserves and Reserve Funds	**10,888**	6,334	8,615
Capital Projects	**16,066**	14,249	12,909
	$195,821	$190,049	$173,937

See accompanying summary of significant accounting policies and notes to financial statements.

	1985 Actual	1985 Budget (in thousands)	1984 Actual
Total Expenditure (from previous page)	**$195,821**	$190,049	$173,937
REVENUE			
Levies on Area Municipalities			
Mississauga	**47,100**	47,066	41,715
Brampton	**16,613**	16,546	14,430
Caledon	**1,878**	1,857	1,670
	65,591	65,469	57,815
Direct Charges on Ratepayers			
Sanitary sewers	**28,199**	26,975	24,822
Water	**26,606**	24,953	23,493
	54,805	51,928	48,315
Contributions from Other Governments			
Ontario unconditional grants	**20,998**	20,998	19,844
Ontario specific grants			
Transportation services	**2,043**	2,022	1,939
Health services	**4,452**	4,764	4,103
Social and family services	**21,956**	22,767	20,060
Other	**138**	234	338
Canada grants	**133**	64	217
	49,720	50,849	46,501
Fees, Service Charges and Other			
Senior citizens' resident fees	**4,680**	4,223	3,748
Waste disposal charges	**5,374**	5,313	4,694
Connection charges – sanitary sewers and water	**5,088**	2,564	3,176
Daycare fees	**860**	853	819
Peel Non-Profit Housing Corporation fees	**1,708**	1,677	1,459
Other fees and service charges	**3,152**	2,740	2,530
Net investment income	**1,308**	1,018	312
Sinking Fund surplus	**678**	–	411
Other revenue	**210**	114	154
	23,058	18,502	17,303
	193,174	186,748	169,934
Transfers from Reserves and Reserve Funds	**2,575**	2,205	2,720
Surplus from the Prior Year	**1,096**	1,096	2,379
	196,845	190,049	175,033
SURPLUS FOR THE YEAR	**$ 1,024**	$ –	$ 1,096

STATEMENT OF CONTINUITY RESERVES AND RESERVE FUNDS

For the year ended December 31, 1985

	Reserves				
	Ontario Water Resources Commission	Utility Rate Stabilization	Working Funds	Vehicle, Furniture & Equipment Replacement	Workers' Compensation
			(in thousands)		
Balance at the beginning of the year	$3,873	$ 9,454	$3,229	$3,936	$816
REVENUE					
Contributions from land developers	–	–	–	–	–
Investment income	63	952	335	448	83
Contribution from current revenue	–	4,646	–	1,751	255
Contributions from capital programs	6	–	–	–	–
Proceeds from disposal of assets	–	–	–	196	–
Insurance settlements	–	–	–	7	61
Ministry of Environment Fund Balance Refunds	–	31	–	–	–
Other	–	–	–	3	–
	69	5,629	335	2,405	399
EXPENDITURE					
Purchases	–	–	–	1,784	–
Transfers to current revenue	–	1,775	300	40	361
Transfers to capital programs	–	–	–	–	–
Debt service costs	61	–	–	–	–
Sick leave benefits	–	–	–	–	–
Ex-gratia payments	–	30	–	–	–
Vehicle expenses	–	–	–	–	–
Insurance premium	–	–	–	–	71
Ministry of Environment liability reduction	–	–	–	–	–
OWRC receivable reduction	3,275	–	–	–	–
	3,336	1,805	300	1,824	432
Balance at the end of the year	$ 606	$13,278	$3,264	$4,517	$783

See accompanying summary of significant accounting policies and notes to financial statements.

				Reserve Funds				
					Ministry of the Environment Contingency			
Waste Mgmt. Rate Stabilization	Vehicle Collision	Sick Leave Benefit Plan	**Total Reserves**	Capital Development Fund	Sanitary Sewers	Water	**Total Reserve Funds**	Total Reserves & Reserve Funds
				(in thousands)				
$5,609	$158	$1,032	**$28,107**	$17,591	$336	$235	**$18,162**	$46,269
–	–	–	**–**	15,736	–	–	**15,736**	15,736
704	17	114	**2,716**	1,541	40	67	**1,648**	4,364
3,848	60	328	**10,888**	–	–	–	**–**	10,888
44	–	–	**50**	573	–	–	**573**	623
–	–	–	**196**	–	–	–	**–**	196
–	42	–	**110**	–	–	–	**–**	110
–	–	–	**31**	–	–	–	**–**	31
–	–	–	**3**	–	–	–	**–**	3
4,596	119	442	**13,994**	17,850	40	67	**17,957**	31,951
–	–	–	**1,784**	–	–	–	**–**	1,784
30	–	–	**2,506**	69	–	–	**69**	2,575
1,638	–	–	**1,638**	14,021	–	–	**14,021**	15,659
–	–	–	**61**	–	–	–	**–**	61
–	–	400	**400**	–	–	–	**–**	400
–	–	–	**30**	–	–	–	**–**	30
–	138	–	**138**	–	–	–	**–**	138
–	–	–	**71**	–	–	–	**–**	71
–	–	–	**–**	–	16	99	**115**	115
–	–	–	**3,275**	–	–	–	**–**	3,275
1,668	138	400	**9,903**	14,090	16	99	**14,205**	24,108
$8,537	$139	$1,074	**$32,198**	$21,351	$360	$203	**$21,914**	$54,112

STATEMENT OF COMBINED REGIONAL OPERATIONS

For the year ended December 31

	1985					1984
	Current	Capital	Reserves	Reserve Funds	Total	
			(in thousands)			
Municipal equity at the beginning of the year	$ 1,096	$24,834	$28,107	$18,162	**$ 72,199**	$ 58,089
Revenue and financing raised						
Levies on Area Municipalities	65,591	–	–	–	**65,591**	57,815
Direct charges on ratepayers	54,805	–	–	–	**54,805**	48,315
Contributions from other governments	49,720	6,484	–	–	**56,204**	53,626
Proceeds from long-term debt	–	11,841	–	–	**11,841**	29,867
Fees, service charges and other	23,058	6,524	3,056	17,384	**50,022**	37,699
	193,174	24,849	3,056	17,384	**238,463**	227,322
Transfers from:						
Current		16,066	10,888		**26,954**	21,524
Capital			50	573	**623**	159
Reserves	2,506	3,422			**5,928**	4,754
Reserve Funds	69	14,021			**14,090**	12,542
Less:						
Transfers to other funds	26,954	623	5,928	14,090	**47,595**	38,979
Net revenue and financing available	168,795	57,735	8,066	3,867	**238,463**	227,322
Expenditures and Outlay						
General Government	5,689	1,726	71	–	**7,486**	6,747
Protection to Persons and Property	47,792	4,080	400	–	**52,272**	47,434
Transportation Services	11,535	7,379	–	–	**18,914**	20,093
Environmental Services	54,198	21,969	3,504	115	**79,786**	72,897
Health Services	8,888	4,970	–	–	**13,858**	24,773
Social and Family Services	37,979	1,389	–	–	**39,368**	36,158
Planning and Development	1,560	–	–	–	**1,560**	1,636
Non-Program	1,226	–	–	–	**1,226**	3,474
	168,867	41,513	3,975	115	**214,470**	213,212
Municipal equity at the end of the year	$ 1,024	$41,056	$32,198	$21,914	**$ 96,192**	$ 72,199

See accompanying summary of significant accounting policies and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 1985

1. Net Long-Term Liabilities

Under the terms of the Regional Act, Council has obtained the approval of the Ontario Municipal Board for the issuance of debentures to finance its own capital expenditures and those of the Area Municipalities. Debentures issued for such purposes are direct, joint and several obligations of the Region and Area Municipalities.

The Municipal Act, as amended, permits Regional governments to issue debentures on behalf of local school boards. In the Region of Peel, education is provided by The Peel Board of Education and The Dufferin-Peel Roman Catholic Separate School Board (the "School Boards"). Debentures issued by the Region to finance a School Board's capital expenditures are direct, joint and several obligations of the Region, that School Board and the Area Municipalities.

Long-term liabilities are reported net of that portion assumed by and recoverable from other governments and School Boards as the responsibility for raising the funds required to service these liabilities lies with those respective governments and School Boards. The Region's share of its and the City of Mississauga's sinking funds are deducted to arrive at net long-term liabilities as they represent funds accumulated to retire these liabilities.

The Region's share of the surplus in the Region's sinking fund amounted to $2,953,000 at December 31, 1985 (1984 – $2,355,000).

Long-term debenture debt issued in U.S. dollars has been converted to Canadian dollars based on the historical exchange rates set forth below:

	Date of Issue	Amount Outstanding (in U.S. Dollars)	Exchange Rate
Series A	Aug. 1, 1975	$ 3,250,000	Par
Series B	Dec. 1, 1976	28,100,000	$1.00U.S. = $0.9812
Series C	Jan. 24, 1978	16,000,000	$1.00U.S. = $1.1009
Series H	June 1, 1982	24,000,000	$1.00U.S. = $1.2437

The U.S. portion of net long-term liabilities expressed in Canadian dollars at historical exchange rates amounted to $36,671,000 at December 31, 1985 (1984 – $40,538,000). Based on the rate of exchange prevailing at December 31, 1985, an additional $7,382,000 (1984 – $5,583,000) would be required to discharge the outstanding balance of net long-term liabilities payable in U.S. dollars.

Sinking funds assets relating to the Region's share of outstanding long-term liabilities payable in U.S. dollars are recorded in Canadian dollars based on exchange rates used for the translation of the respective long-term liabilities. These sinking fund assets are held in U.S. dollar denominated securities.

Also included in net long-term liabilities is the present value of the future minimum lease payments and a $1,100,000 purchase option in 1998 for a capital lease.

A schedule of long-term liabilities is set forth below:

	As at December 31, 1985	As at December 31, 1984
	(in thousands)	
Long-term debenture debt incurred by the Region	$210,032	$208,893
Long-term debenture debt assumed by the Region originally incurred by Area Municipalities	10,423	11,503
Capital Lease	1,891	1,921
Less:		
Long-term debenture debt incurred by the Region and assumed by:		
Area Municipalities	58,492	61,851
School Boards	26,085	25,956
Province of Ontario	227	377
	84,804	88,184
Gross long-term liabilities	137,542	134,133
Less:		
Sinking funds of the Region and the City of Mississauga	17,157	13,965
Net long-term liabilities	$120,385	$120,168

2. Charges for Net Long-Term Liabilities

Charges for principal repayments of long-term liabilities include contributions to sinking funds. Also included in the cost of servicing net long-term liabilities are payments in respect of a capital lease. The costs of servicing net long-term liabilities from current revenue are included in the Statement of Expenditure and Revenue for Services Provided under the appropriate program classifications.

The costs of servicing net long-term liabilities are summarized below:

	Year ended December 31,	
	1985	1984
	(in thousands)	
Recovered from Current Revenue		
Principal repayments	$10,279	$ 7,314
Interest	16,406	13,587
	26,685	20,901
Recovered from Ontario Water Resources Commission Reserve		
Principal repayments	55	134
Interest	6	14
	61	148
	$26,746	$21,049

If the accrual method of accounting for interest on long-term liabilities had been followed for purposes of these financial statements, accrued interest charges at December 31, 1985 would have been $3,572,000 (1984 – $3,118,000).

The future payments for maturities of gross long-term liabilities outstanding at December 31, 1985 and their financing sources are set forth below. The future payments at maturity for sinking fund issues included below will be provided from the sinking funds accumulated to retire this debt.

	1986 to 1990	1991 to 1995	Subsequent to 1995	Total
	(in thousands)			
Property taxation	$23,262	$16,339	$15,871	$ 55,472
Sanitary sewer and water rates	32,424	34,510	15,136	82,070
	$55,686	$50,849	$31,007	$137,542

The cost of servicing net long-term liabilities incurred on behalf of sanitary sewer and water operations does not represent a burden on the property tax supported revenues as the necessary funds will be recovered through the sanitary sewer and water rates.

3. Long-Term Borrowings in 1985

On July 18, 1985 the Region issued serial debentures to finance its own capital expenditures and those of the Separate School Board. The gross proceeds from the issue of debentures were applied in the following manner:

		Application of Proceeds		
	Amount of Issue	Region		Separate School Board
		General	Utility	
	(in thousands)			
9½% due 1986	$ 1,500	$ 400	$ 785	$ 315
10% due 1987 to 1989	4,500	1,199	2,353	948
10¼% due 1990 to 1992	4,500	1,199	2,353	948
10½% due 1993 to 1995	4,500	1,199	2,353	948
	$15,000	$3,997	$7,844	$3,159

4. Municipal Equity

Surplus for the year

The Region's annual budget must take into account any property tax supported surplus resulting from the prior year. Surpluses for the years 1985 and 1984 amounted to $902,000 and $988,000, respectively, from general purposes and $122,000 and $108,000, respectively, from Conservation Authorities.

The surplus or deficit arising from sanitary sewer and water operations is transferred to or funded from the Reserve for Utility Rate Stabilization at the end of each year. In 1985 the net surplus from sanitary sewer and water operations transferred to the reserve was $4,298,000 (1984 – $2,918,000).

Reserves and reserve funds

Reserves and reserve funds are established by Regional Council and are included in the municipal equity of the Region. No reserves or reserve funds are established as a requirement of a Provincial or Federal statute.

Net unexpended capital financing

Net unexpended capital financing represents the net financial position of all capital projects as at December 31, and includes that portion of capital financing which has not been spent, net of any capital outlay not yet permanently financed. At December 31, 1985, $49,535,000 (1984 – $37,958,000) of committed financing for certain capital projects had not been spent while certain capital projects had $8,479,000 (1984 – $13,124,000) of expenditures yet to be financed.

A breakdown of capital outlay not yet permanently financed is set forth below by the anticipated source of funding:

	As at December 31,	
	1985	1984
	(in thousands)	
Contributions from other governments	$ 850	$ 3,789
Long-term borrowing (OMB approved)	2,088	2,864
Current revenue	144	173
Reserves and reserve funds	2,896	22
Investment income	66	4,567
Fees and developers	1,288	1,077
Sales of assets	800	457
Other sources	347	175
	$8,479	$13,124

5. Contractual Obligations and Contingent Liabilities

(a) At December 31, 1985 outstanding contractual obligations for capital works amounted to approximately $6,133,000 (1984 – $7,103,000). The financing of these obligations has been authorized by Regional Council.

(b) Under the terms of agreements with the Ministry of the Environment, the Region is required to purchase water and sewage treatment at rates negotiated on an annual basis. Payments to the Ministry in respect of such agreements amounted to $24,382,000 in 1985 (1984 – $23,832,000). Payments under these agreements are financed by sanitary sewer and water rates.

(c) All permanent full-time employees of the Region are members of the Ontario Municipal Employees' Retirement System ("O.M.E.R.S."), a pension plan fully funded through employer and employee contributions. At December 31, 1985 the Region had an unfunded liability of $508,000 (1984 – nil) to provide supplementary pension benefits for certain salaried non-union staff members, which will be financed over the next fourteen years.

(d) As at December 31, 1985 legal counsel estimated the potential liability on outstanding actions at $3,395,000.

(e) Under the terms of various operating lease agreements, future minimum payments are as follows:

1986	$ 608,000
1987	464,000
1988	421,000
1989	352,000
1990	148,000
Subsequent to 1990	1,696,000
	$3,689,000

6. Liability for Vested Sick Leave Benefits

Under a sick leave benefit plan for certain employees of the Police Force and the Senior Citizens' program, unused sick leave may be accumulated and converted into cash upon termination of employment. The cash settlement under this plan is equal to the lesser of the cash equivalent of one-half of the unused sick days or six months of the employee's current annual salary.

The unrecorded liability for accumulated sick leave, to the extent that it is vested and may become payable upon termination, amounted to approximately $5,354,000 at December 31, 1985 (1984 – $5,023,000). Of this amount, $5,312,000 (1984 – $4,985,000) relates to the employees of the Police Force and $42,000 (1984 – $38,000) to those in the Senior Citizens' program.

On January 1, 1980 a reserve was established to provide for the funding of the potential liability of accumulated sick leave benefits of the Police Force. The rate of contribution is based upon 1% of related salaries (1984 – 1½%). The balance of this reserve was $1,074,000 at December 31, 1985 (1984 – $1,032,000) representing total contributions to date net of any payments upon termination.

The Region has not provided for the funding of the potential liability relating to employees of the Senior Citizens' program. Payments upon termination are charged against current operations.

7. Comparative Figures

Prior year figures have been reclassified to conform with the current year's presentation.

AUDITORS' REPORT

The Members of Council,
Inhabitants and Ratepayers of
The Regional Municipality of Peel.

We have examined the sinking fund balance sheet of The Regional Municipality of Peel as at December 31, 1985 and the sinking fund statement of continuity. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the sinking fund of The Regional Municipality of Peel as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Mississauga, Ontario
March 14, 1986.

Chartered Accountants
Licence Number 1239

SINKING FUNDS
BALANCE SHEET
As at December 31

	1985			1984
	Regional Municipality of Peel Sinking Fund	Region's Share of City of Mississauga Sinking Fund	Total	
		(in thousands)		
ASSETS				
Cash and short-term investments	$ 708	$ –	**$ 708**	$ 2,378
Accounts receivable	626	–	**626**	537
Assets held for the Region by the City of Mississauga	–	3,918	**3,918**	3,778
Long-term investments	26,325	–	**26,325**	19,522
	$27,659	$3,918	**$31,577**	$26,215
LIABILITIES				
Actuarial requirements for retirement of debentures:				
Regional property tax supported	$ 4,836	$ –	**$ 4,836**	$ 3,875
Regional sanitary sewer and water rate supported	5,449	3,152	**8,601**	6,859
City of Mississauga	8,083	–	**8,083**	6,926
City of Brampton	2,831	–	**2,831**	2,410
Town of Caledon	25	–	**25**	21
Excess over actuarial requirements	6,435	766	**7,201**	6,124
	$27,659	$3,918	**$31,577**	$26,215

SINKING FUNDS
STATEMENT OF CONTINUITY
For the year ended December 31

	1985			1984
	Regional Municipality of Peel Sinking Fund	Region's Share of City of Mississauga Sinking Fund	Total	
		(in thousands)		
Excess over actuarial requirements at the beginning of the year	$5,249	$875	**$6,124**	$4,862
REVENUE				
Contributions from current revenue	2,838	–	**2,838**	2,075
Investment income	3,259	463	**3,722**	2,789
Contributions from reserves and reserve funds	–	–	**–**	10
	6,097	463	**6,560**	4,874
EXPENDITURE				
Provision for actuarial requirements	4,036	249	**4,285**	3,201
Repayment of surplus sinking funds:				
to Region	355	323	**678**	411
to Area Municipalities	520	–	**520**	–
	4,911	572	**5,483**	3,612
Excess over actuarial requirements at the end of the year	$6,435	$766	**$7,201**	$6,124

TRUST FUND
BALANCE SHEET
As at December 31

	1985	1984
	(in thousands)	
ASSETS		
Cash and short-term investments	**$3,333**	$2,667
	$3,333	$2,667
RESIDENTS' EQUITY		
Residents' equity	**$3,333**	$2,667
	$3,333	$2,667

TRUST FUNDS
STATEMENT OF CONTINUITY
For the year ended December 31

	1985	1984
	(in thousands)	
Balance at the beginning of the year	**$2,667**	$2,447
REVENUE		
Deposits from residents	**1,916**	1,027
Interest income (cash basis)	**307**	280
	2,223	1,307
EXPENDITURE		
Payments for maintenance, withdrawals by residents and payments to the estates of deceased residents	**1,557**	1,087
Balance at the end of the year	**$3,333**	$2,667

AUDITORS' REPORT

The Members of Council,
Inhabitants and Ratepayers of
The Regional Municipality of Peel.

We have examined the balance sheet of the funds held in trust by The Regional Municipality of Peel as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the funds held in trust by The Regional Municipality of Peel as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles indicated on a basis consistent with that of the preceding year.

Touche Ross & Co.

Mississauga, Ontario,
March 14, 1986.

Chartered Accountants
Licence Number 1239

REGIONAL COUNCIL
1985

CHAIRMAN

R. Frank Bean

CITY OF BRAMPTON

Mayor Kenneth G. Whillans
Councillor Chris Gibson
Councillor Ellen Mitchell
Councillor Nancy Porteous
Councillor Peter Robertson
Councillor R. Frank Russell

TOWN OF CALEDON

Mayor Emil V. Kolb
Councillor Donald Currie
Councillor Clark D. Glassford
Councillor V. Keith McCreary
Councillor Richard Pallett

CITY OF MISSISSAUGA

Mayor Hazel M. McCallion
Councillor David L. Cook
Councillor David J. Culham
Councillor Harold E. Kennedy
Councillor Steve W. Mahoney
Councillor Frank J. McKechnie
Councillor Patricia Mullin
Councillor Maja Prentice
Councillor Edward A. Southorn
Councillor Larry Taylor

OFFICERS
1985

Richard L. Frost
Chief Administrative Officer

Peter E. Allen
Commissioner of Planning

William J. Anderson
Commissioner of Public Works

Douglas K. Burrows
Chief of Police

Peter N. Cole, M.D.
Commissioner and
Medical Officer of Health

James Crozier
Commissioner of Social Services

James K. Dundas
Regional Solicitor

Peter J. Marshall
Treasurer and Commissioner of Finance

Peter R. Smith
Commissioner of Housing and
General Manager of Peel Non-Profit
Housing Corporation